

RETIREMENT SECURITY

Mr. KOHL. Madam President, I rise today as chairman of the Special Committee on Aging to talk about retirement security in America. In recent years, workers have seen their savings take a hit, with many wondering whether they will ever be able to retire. The current retirement income deficit—in other words, the gap between what Americans will need in retirement and what they will actually have—is \$6.6 trillion, according to the nonpartisan Center for Retirement Research at Boston College. Now more than ever, we need to strengthen our Nation's pension and 401(k) systems so that Americans can protect the retirement savings they work a lifetime to earn.

In doing so, we must recognize that today's retirement savings vehicles look a lot different than they did a generation ago. Our current system increasingly places the responsibility for saving on the individual, meaning that people have to make retirement decisions on their own because many employers are not doing it for them. That is why the Aging Committee is working to give people more guidance, more tools, and more protection.

Many Americans are increasingly relying on 401(k)-type defined contribution savings plans to fund their retirement. Having a 401(k) requires an individual to make several proactive decisions, including the decision to save, how much to save, how to invest their savings, whether to take loans out, and how to make their savings last through retirement. The committee's focus has been on helping participants make better decisions. After all, a person should not have to be a financial planning expert in order to plan for a secure retirement.

We are discovering that the best system would have certain automatic features, such as automatic enrollment with escalating contribution rates and target date funds that adjust automatically, combined with options to opt out for those who want to create their own portfolio. We are pushing for more retirement coverage through ideas like better target date funds that are designed in the best interests of participants.

We are collaborating with the Department of Labor on many of these issues and also introducing our own bills in some cases. Senator TOM HARKIN and I introduced a bill to require the disclosure of 401(k) fees to participants. A small difference in fees, compounded over a lifetime, can make a huge difference in overall savings. I commend the Labor Department for recently issuing regulations that will bring greater transparency and disclosure of 401(k) fees and make it easier for employers to ensure that their plans' fees are reasonable, and I look forward to reviewing the Department's participant fee disclosure regulations when they are issued this fall. Senators BINGAMAN, ISAKSON, and I have intro-

duced the Lifetime Income Disclosure Act, which would have 401(k) statements translate the balance into a potential stream of retirement income. This will help participants save and plan for an adequate retirement. I am also working with my colleagues to ensure that oversight of the Pension Benefit Guaranty Corporation, the entity that insures the pensions of more than 44 million workers and retirees, is strengthened.

Of course, we cannot talk about retirement security without talking about Social Security. The Aging Committee recently released a report that lays all the options on the table for making it secure over the long term. We also must make sure that those who rely on it the most are protected. Finally, one of the most important ways to have a secure retirement is to work longer. We are focused on the removal of barriers to working past retirement age for those who choose to do so. Our efforts will keep people in the labor force and encourage employers to offer the benefits and flexibility many are looking for later in life.

In closing, I would like to applaud the many advocacy groups that are striving to create a universal, secure, and adequate pension system. Their efforts to bring necessary attention to the important issue of retirement security are appreciated. Together we will continue our work to improve retirement security for all Americans.

Mr. HARKIN. Madam President, I rise today to speak out in support of Retirement USA's "Wake Up, Washington!" Month and to wake up my colleagues to the looming retirement crisis in this country. The public has already woken up. A recent survey found that 92 percent of adults aged 44 to 75 believe there is a retirement crisis in America. Now it is time for Congress to address this crisis before it is too late.

We are already seeing the beginnings of the retirement crisis. Just look at all of the older Americans forced to delay retirement or go back into the workforce because of the economic downturn. If we do not change course, it is going to get much worse.

Next year, the first baby boomers will turn 65, and it is clear that many are not prepared for retirement. According to the Employee Benefit Research Institute, nearly one-half of them are at risk of not having sufficient retirement resources to pay for basic retirement expenditures and uninsured healthcare costs.

The picture is not any better for the rest of American workers. Thirty-one percent of workers do not have any retirement savings at all, and 43 percent of workers have less than \$10,000. If those numbers are not sobering enough, the Center for Retirement Research at Boston College calculated America's retirement income deficit for Retirement USA. They estimate that the gap between what people need for retirement and what they actually have is \$6.6 trillion. That is a scary number.

There simply is no question that retirement is getting less and less secure in this country. In the past, people relied on the "three-legged stool" of retirement security—private pensions, personal savings, and Social Security—but that stool has gotten awfully wobbly. Over 40 percent of workers lack access to any employer-sponsored retirement plan at all, the rising cost of living and stagnant wages are making it tougher for people to save, and our Social Security system is under attack.

It used to be that many workers could rely on defined benefit pensions. Those plans are one of the best ways to ensure that workers have a secure retirement because they provide a predictable, guaranteed source of income that workers can count on for the duration of their lives. But, unfortunately, the traditional defined benefit pension is an endangered species. The number of employers offering these plans has fallen drastically over the past three decades. Now, less than 20 percent of workers in the private sector have the security of a defined benefit pension.

The vast majority of employees with any retirement plan at all just have a 401(k), but those plans do not provide real retirement security. They leave workers exposed to the constant risk that the plans' investments will perform poorly. Look at what has happened to people's 401(k)s over the past few years. Billions of dollars of retirement savings have just evaporated, and lots of workers—especially people getting close to retirement—saw any chance they had of retiring vanish overnight. 401(k)s also do not provide workers with guaranteed lifetime income like traditional pension plans. That means that workers and their families are forced to bear the risk that they will outlive their retirement savings.

Plus, in these troubled economic times, families are facing unprecedented challenges and saving for retirement just is not an option for many. Wages have been stagnant for years, yet the cost of living keeps going up. People are working harder and longer than ever before, but they still cannot seem to meet the costs of basic everyday needs, like education, transportation, and housing, let alone save enough to support them in their old age.

For many Americans, the only retirement security they have is Social Security, but that, too, is under siege. There are those that want to privatize the system, cut back benefits, and raise the retirement age. They say that everyone should just work longer and that retirement is a "luxury." Clearly, those people do not swing a hammer for a living. They do not toil in our corn fields or work on our oil rigs. For Americans who work in these physically demanding jobs, working longer simply is not an option. A lifetime of hard work takes its toll, and at some point, a person just cannot do it anymore.